

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
MARCH 20, 2014
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:40 a.m. The following roll call was taken:

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| Keith Balla, CPA | Present |
| Richard C. Barlotta, PA | Present |
| Jorge A. Caballero, CPA | Present |
| John F. Dailey, Jr., CPA | Present |
| Sara L. DeSmith, CPA | Present |
| Daniel J. Geltrude, CPA | Excused |
| Dennis C. Meyerson, PA | Present |
| Hal Model, CPA | Present |
| Ainsley A. Reynolds, CPA | Present |
| Michael H. Runge, CPA | Present |

Also present at the meeting were Khaled Madin, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA, Jeff Kaszerman, Government Relations, NJSCPA and David Plaskow, Editor, NJSCPA.

II Minutes of the Meeting of January 30, 2014

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to approve the January 30, 2014 Public Session minutes with corrections. The vote of the Board was unanimous.

III Minutes of the Meeting of February 20, 2014

On a motion made by Ainsley Reynolds, seconded by Richard Barlotta, the Board voted to approve the February 20, 2014 Executive Session minutes with corrections. The vote of the Board was unanimous.

IV President's Remarks

Board President Dailey reported to the Board that effective March 31, 2014, William Mandeville is officially retiring and a luncheon is being scheduled for May 15th. On that day, the Board will meeting will start 9:30 A.M. with Executive Session followed by Public Session at 11:30 A.M. Following the meeting, the luncheon will be held at Maize Restaurant located inside the Robert Treat Hotel. The price of lunch is \$50.00 which will also include a gift. An email will be going out short with all the details. President Dailey informed the Board that several other locations were considered but approximately priced the same. President Dailey informed the Board that other Board functions have been held there before and it's a very nice location. President Dailey informed the Board that past Board members will also be invited including the Board staff. President Dailey reported that he spoke to Mr. Mandeville and he is available on that date and this will be a very nice farewell for him. Those planning to attend, please make checks payable to John Dailey.

President Dailey informed the Board that Mr. Mandeville was a great person and never hesitated to protect the Board and take his time to do his job well.

President Dailey reminded the Board that he will not be attending the April 24, 2014 Board meeting due to a function at NASBA. The meeting date was previously changed to accommodate DAG Palan. Mr. Reynolds, Mr. Balla, Ms. DeSmith and Mr. Caballero also informed President Dailey that they would not be available to attend the April 24, 2014 Board meeting.

Due to no quorum in the month of April, the Chair directed that the Investigative Inquiry and the Board meeting be canceled. The Board will meet on May 15,

2014 at 9:30 A.M. to start in Executive Session. Lunch at Maize Restaurant will be at 1:00 P.M.

V Acting Executive Director's Remarks

Acting Executive Director Madin had no report for the Board.

**VI UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE
AUDIT - RENEWAL PERIOD 2009-2011**

A Paid Penalty and Will Make Up Credits

- 1 Joseph Pickett - \$8,000 - paid

The Chair directed that the paid penalty and making up of credits be accepted as informational.

B Requested Voluntary Surrender

- 1 James Gellas
- 2 Leonard Goodman

The Chair directed that the two requests for voluntary surrender be accepted as informational.

VII Legislative Matters

A Senate, No. 681

Provides for issuance of certificate of rehabilitation to certain offenders with substance abuse disorders.

The Board had no comment regarding Senate, No. 681 and accepted it as informational.

VIII Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

Jorge Caballero reported to the Board that a conference call meeting was held on March 14, 2014 in which Mr. Balla also participated.

C CPE Committee

No report was provided.

D RMA Committee

John Dailey had no report for the Board.

E Peer Review Oversight Committee

Sara DeSmith had no report for the Board.

F Education Committee

Ainsley Reynolds had no report for the Board.

G Reciprocity Committee

Michael Runge informed the Board that several changes in the laws that govern reciprocity. The online application and instructions need to be looked at and changes should be made.

H Nominating Committee

Keith Balla reported to the Board reported the following slate of officers recommended by the Nominating Committee for the fiscal year May 1, 2014 to April 30, 2015 is as follows:

President - John Dailey
Vice President - Daniel Geltrude
Treasurer - Sara DeSmith
Secretary - Jorge Caballero

The Board voted unanimously to approve the slate of officers for the May 1, 2014 to April 30, 2015 fiscal year.

I Statute/Rules/Regulations Committee

Keith Balla had no report for the Board but did mention that the five year law regarding re-taking the examination is due to expire. On May 5, 2014, a meeting is scheduled. Monitoring Profession Committee at 9:30 A.M. followed by the Statute/Rules/Regulations Committee at 12 noon.

J Monitoring Profession Committee

Keith Balla had no report for the Board.

IX Public Comments

Ralph Albert Thomas, CEO and Executive Director of the New Jersey Society of CPAs reported the following:

Update on Important Society Dates

- April 24th, 2014 - Annual Society Scholarship Awards Ceremony at the Renaissance Hotel, Woodbridge, NJ from 6pm to 8:30pm.
- May 14th & 15th, 2014 - NJSCPA Annual Accounting, Business and Technology Show at the Meadowlands Exposition and Convention Center, Secaucus, NJ.
- May 28th & 29th, 2014 - Society's Scholars Institute Program at Montclair State University, Montclair, NJ.
- June 4th-6th, 2014 - NJSCPA Annual Convention & Expo at Bally's in Atlantic City, NJ

I would like to update Board members and staff on the following Society activities and initiatives:

- We met recently with Senator Lesniak to discuss Appeal Bond Cap legislation and next steps. The Senator agreed to reach out to Senate President Sweeney to discuss the possibility of moving the bill out of the Senate Judiciary Committee. If the Senate President is not willing to move the bill, then we may have to go back to the drawing board and reassess our strategies on this legislation. It has been more than three years trying to move this legislation in Trenton.
- The Society's informal task force working group on mandatory audit firm

- rotation for municipalities and county governments had its first meeting to attempt to identify recommendations for Assemblywoman Munoz for incorporation in a new bill to address concerns surrounding controls over local and county expenditures.
- On a national front, we continue to monitor the Mobile Workforce legislation bill, S 1645 and the proposals being considered in both the House and Senate to eliminate the cash basis of accounting for tax reporting purposes for pass through entities.

Additional Comments:

Society leadership recently attended the New York City regional meeting of AICPA Council, where major topics of discussion were the future of Peer Review and the future of learning. AICPA staff and a task force are working on a new Peer Review concept/approach and model, as the current model is considered to be antiquated. The models being explored would utilize technology such that peer reviews would be done on a more frequent basis as opposed to once every three years. Regarding the future of learning, both the AICPA and NASBA have task forces looking at what learning model(s) would work best given the advent of technology and multimedia platforms. Additionally, whatever model is selected needs to be competency focused. Jim Hardenberg, the Society's Chief Learning Officer, was selected to be on NASBA's CPE Task Force. Hopefully, both the AICPA and NASBA task forces will come up with a model(s) which not only address competency and embrace technology, but will also lend itself (themselves) to standardization of CPE requirements.

On a motion made by Ainsley Reynolds, seconded by Jorge Caballero, the Board voted to adjourn the Public Session Board meeting at 10:30 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry, one matter of Old Business, one matter of New Business, UPL in Lieu of Formal Complaint for Audit 2009-2011, PCAOB reports and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director